

REED SMITH SHAW & McCLAY

AUG 9 1996 -2 20 PM

MAILING ADDRESS:
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PITTSBURGH, PA 15230-2009

435 SIXTH AVENUE
PITTSBURGH, PA 15219-1886
412-288-3131

INTERSTATE COMMERCE COMMISSION
WASHINGTON, DC
PHILADELPHIA, PA
HARRISBURG, PA
MCLEAN, VA
PRINCETON, NJ
NEW YORK, NY

FACSIMILE 412-288-3063

WRITER'S DIRECT DIAL NUMBER
(412) 288-3306

August 8, 1996

Dear Mr. Williams:

On behalf of Mellon Financial Services Corporation #3, I submit for filing and recording under 49 U.S.C. Section 11301(a), an executed, not previously recorded document entitled Memorandum of Lease, dated as of September 15, 1995.

The parties to the enclosed Memorandum of Lease are:

Mellon Financial Services Corporation #3 - Lessor
4444 One Mellon Bank Center
Pittsburgh, PA 15258

Illinois Central Railroad Company - Lessee
455 North Cityfront Plaza Drive
Chicago, IL 60611-5504

The said Memorandum of Lease covers the leasing of those certain gondola cars as identified therein.

The units of equipment covered by the Memorandum of Lease are those gondola cars identified therein.

A short summary of the document to appear in the STB Index is as follows:

"Lease of 97 100-ton gondola cars, Illinois Central numbers."

Enclosed is \$21.00 cash in payment of the filing fee in this matter.

Once the filing has been made, please return to us the stamped counterpart of the Memorandum of Lease not needed for your files, together with the fee receipt, the letter from the STB

Aug 9 2 19 PM '96

RECEIVED
SURFACE TRANSPORTATION
BOARD

Counterpart - Attached to 104

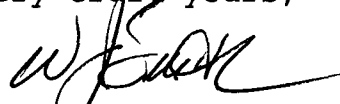
REED SMITH SHAW & McCLAY

Honorable Vernon A. Williams -2-

August 8, 1996

acknowledging the filing, and the extra copy of this letter of transmittal.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'WJ Smith', with a long, sweeping horizontal line extending to the right.

William J. Smith
Attorney for the purpose of
this filing for Mellon
Financial Services
Corporation #3

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Enclosures

BY HAND

**SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20425-0001**

William J. Smith
Reed Smith & McClay
435 Sixth Avenue
Pittsburgh, PA. 15219-1886

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 8-9-96 at 2:20 PM, and assigned recordation number(s). 20219.

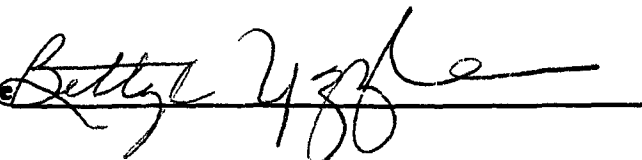
Sincerely yours,

**Vernon A. Williams
Secretary**

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



MEMORANDUM OF EQUIPMENT LEASE AUG 9 1996 2 PM

This Memorandum of Equipment Lease is intended to evidence the Master Lease Agreement, dated as of August 15, 1995, and Equipment Lease Schedule Nos. 1 and 2, dated September 6, 1995, and September 15, 1995, respectively (together, the "**Lease**"), between Mellon Financial Services Corporation #3, a Pennsylvania corporation, having its principal office at One Mellon Bank Center, Suite 4444, Pittsburgh, PA 15258 ("**Lessor**") and Illinois Central Railroad Company, 455 North Cityfront Plaza Drive, Chicago, IL 60611-5504 ("**Lessee**"), for the purpose of satisfying the requirements of recordation with the Interstate Commerce Commission under Section 11303 of Title 49 of the United States Code. Lessor is the owner of the 100-ton gondola cars more fully described in Attachment 1 hereto (the "**Equipment**"). Lessee has leased from Lessor the Equipment at the rentals and upon the terms and conditions provided in the Lease.

IN WITNESS WHEREOF, Lessor and Lessee, each pursuant to due authority, have executed this Memorandum of Lease as of September 15, 1995.

Lessor:

MELLON FINANCIAL SERVICES
CORPORATION #3

By: 

Michael F. Marks
Vice President

Lessee:

ILLINOIS CENTRAL RAILROAD COMPANY

By: 

J. D. McPherson
Sr. Vice President-Operations

State of Illinois)
) S.S
County of Cook)

On this 29th day of September 1995, before me personally appeared J. D. McPherson, to me personally known, who being by me duly sworn, says that he is the Senior Vice President-Operations of Illinois Central Railroad Company, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

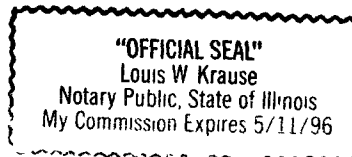
Louis W Krause

NOTARY PUBLIC

My Commission Expires:

MAY 11, 1996

[Notarial Seal]



Commonwealth of Pennsylvania)
) S.S
County of Allegheny)

On this 29th day of September 1995, before me personally appeared Michael F. Marks, to me personally known, who being by me duly sworn, says that he is a Vice President of Mellon Financial Services Corporation #3, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Marlyn A. Adamczyk
NOTARY PUBLIC

~~My~~ Commission Expires:

June 5, 1999

[Notarial Seal]

Notarial Seal
Marilyn A. Adamsky, Notary Public
Pittsburgh, Allegheny County
My Commission Expires June 5, 1999
Member, Pennsylvania Association of Notaries

The Items of Equipment:

Ninety-seven (97) 52' 6" 100-ton gondola cars manufactured by Berwick Forge & Fabricating bearing the Illinois Central Railroad Company identification numbers set forth below (shown opposite the corresponding identification number previously used by the South Buffalo Railroad):

<u>South Buffalo</u>	<u>Illinois Central</u>
6023	295925
6038	295945
6047	295921
6052	295939
6058	295883
6060	295932
6020	295874
6043	295868
6049	295869
6055	295867
6072	295871
6081	295872
6089	295873
6090	295875
6099	295876
6039	295903
6061	295904
6063	295906
6010	295891
6011	295889
6027	295888
6033	295896
6059	295894
6095	295890
6004	295912
6015	295919
6048	295911
6084	295908
6086	295914
6025	295887
6079	295865
6026	295863
6036	295851
6044	295862
6053	295860
6068	295854
6070	295859
6076	295850
6077	295858
6041	295852

South BuffaloIllinois Central

6019	295853
6078	295855
6094	295856
6066	295857
6013	295864
6075	295861
6091	295907
6087	295905
6057	295901
6098	295900
6007	295902
6001	295892
6002	295893
6014	295895
6031	295897
6006	295898
6092	295909
6051	295910
6056	295913
6017	295915
6012	295916
6054	295917
6046	295918
6018	295899
6082	295879
6037	295878
6040	295877
6035	295870
6016	295946
6080	295944
6029	295943
6009	295942
6069	295941
6093	295940
6073	295938
6097	295937
6024	295934
6028	295933
6062	295928
6085	295927
6065	295925
6083	295882
6088	295923
6064	295880
6003	295926
6021	295929
6071	295920
6032	295881
6005	295931
6030	295930
6050	295924
6000	295922
6022	295866

South Buffalo

Illinois Central

6034
6045
6074
6096

295936
295885
295886
295884
